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A Dim Spotlight On Libyan Affair

How do you prevent former Central Intelligence Agency employees from peddling their expertise to foreign governments? With difficulty, if at all, it appeared from testimony last week before the House Select Committee on Intelligence.

The closed hearings capped a four-month committee staff inquiry into the activities of two former C.I.A. agents, Edwin P. Wilson and Frank E. Terpil, and the C.I.A.'s investigation of their dealings with the Libyan government. But the question of C.I.A. involvement and the nature of the agency's relationship with its former employees remained as murky as ever.

Mr. Wilson was accused of recruiting American soldiers to train Libyan terrorists and he and Mr. Terpil, now fugitives, were indicted in 1980 for illegally shipping explosives to Libya. Mr. Wilson is known to have had the help of C.I.A. employees in his recruitment project, but two internal inquiries, one of which was ordered last year by agency director William J. Casey, have concluded that the aid was not official.

Two middle-level employees were dismissed in 1977 for their part in the affair. Two senior officials who were suspected of involvement were exonerated, and Mr. Wilson subsequently set one of them up in a business that later hired the other one. In his testimony at the hearings, Mr. Casey apparently was unable to shed new light on this relationship.

He did reveal, though, that the C.I.A. had recently adopted a new code of conduct extending agency regulations to former employees for the first time. The rules were said to prohibit the use of inside information for private gain, but a spokesman conceded they were "not a legal, binding agreement" and that the agency was powerless to make former employees obey them. Mr. Casey was said to be willing to work with Congress on legislation that had more teeth.

Michael Wright
and Caroline Rand Herron